



# Argentina: Insurance Market

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ID:#

## Summary

The insurance industry is expanding and has had sustained growth since 2002. As leading market players improve performance, the number of unqualified insurers is decreasing. Industry players in country decreased from 230 in 2000 to roughly 190 in 2006. Between June 2005 and May 2006, insurers invoiced approximately USD \$5.1 billion, a 7% increase from the June 2004 - May 2005 time frame.

In May 2006, the sector experienced a 35.6% year on year growth, accounting for approximately US\$452.2 million worth of monthly sales. General and property insurance account for approximately US \$309 million (68.3%), life insurance US \$87.7 million (19.4%) and retirement insurance US \$87.7 million (12.3%) of the total registered for May 2006.

All insurance segments experienced remarkable growth during 2006 as compared to the previous year. Growth rates follow: General and property insurance: 32%; worker compensation insurance: 62.4%; life insurance: 34.5% and retirement insurance: 62.2% year on year.

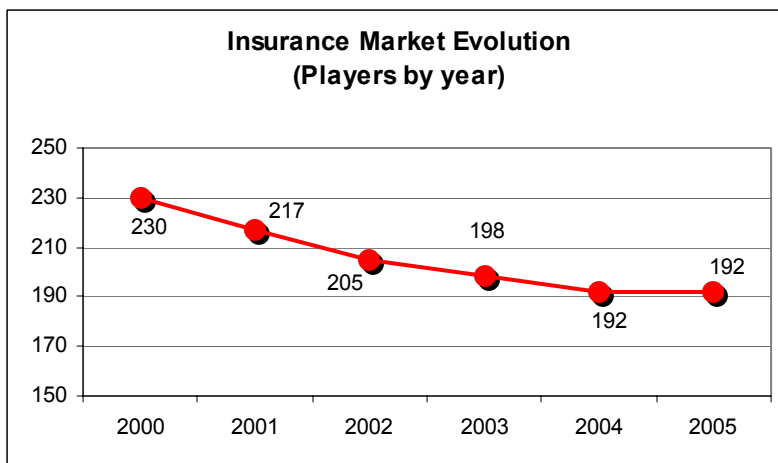
Industry experts project an approximate 20% yearly growth rate for the next two years. Insurance covering personal accidents, vehicle third party liability and traditional crops registered the most significant growth during the last three years.

## Market Overview

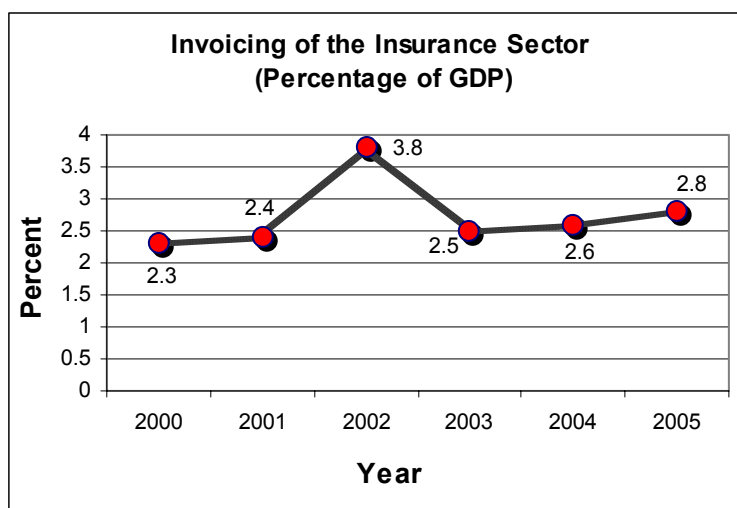
The culture for purchasing insurance among Argentine citizens is still relatively undeveloped. The industry's leading firms are meeting the more sophisticated consumer demand through higher quality service and broader service portfolios. Insurance firms tend to be run by professionally trained managers. The industry is far from reaching maturity, and there is significant room for growth.

The industry is highly concentrated. During the July 2005 – March 2006 time frame; roughly 20 companies (out of 192 companies in the market) held over 50% of the market share. Namely, Federación Patronal, La Caja, Mapfre Argentina, La Meridional, HSBC La Buenos Aires, Sancor Seguros, San Cristobal, Provincia Seguros, La Segunda, Prevención ART, Zurich Argentina, Mercantil Andina, Consolidar ART, Orígenes Retiro, HSBC New York Life Retiro, HSBC New York Life Vida, Internacional Vida, AGF Allianz and Asocian ART.

Since 2000 the number of players in the market decreased by approximately 16.5%. This decrease was due in part to the economic crisis of 2001. There were extensive Mergers and Acquisitions activity following the crisis. Some companies left the market, but all in all, today's healthier market continues to expand, basically due to overall profitability and a sustained growth in demand across the board in all segments of the insurance market.



Source: Superintendence of Insurance



Source: Superintendence of Insurance

**Current Trends in the Insurance Industry Include:**

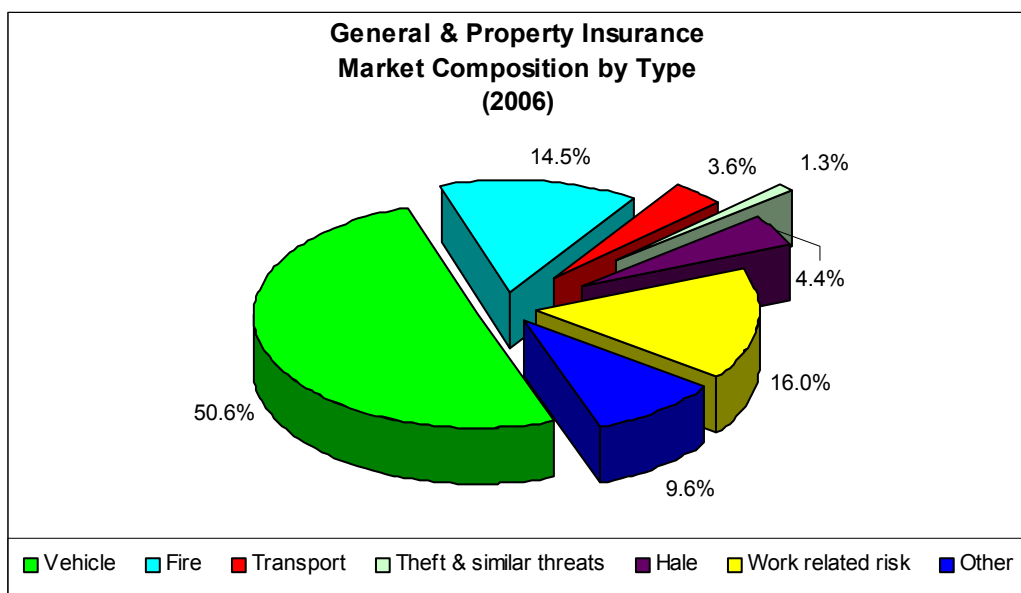
- The marketplace place is characterized by aggressive competitiveness.
- The insurance industry grew more than the country's population in the last decade.
- Insurance on people is the segment, which experienced greater growth since the 90s.
- In spite of the economic challenges, personal insurance is projected to continue expanding.
- Argentina is one of the countries with the highest number of insurance companies in Latin America.
- The number of insurance companies is likely to decrease in the long term. Fewer players will enjoy larger market shares.
- Third-party liability insurance for vehicles is adding to the industry's growth.
- Insurance on personal accidents registered the highest growth, based on the number of policy issuance.
- Insurance on work related risks also experienced remarkable growth, basically following the growth of the economy, and particularly the expansion of the agricultural sector.
- The industry's major challenge for the year is the passing by Congress of the bill on work related risks.
- Current standards of health insurance are adversely affecting the industry's overall performance. This segment is likely to suffer a dramatic transformation in the mid term.
- Insurance companies, in general, are concerned about their negative social perception. In order to capture new clients, industry leaders are investing in savvy management and bringing highly trained professionals on-board, which is leading to better service delivery and client retention.

## Key Players & Market Data

A ranking by the Superintendence of Insurance of the top one hundred industry players as of the fourth quarter of 2005 follows:

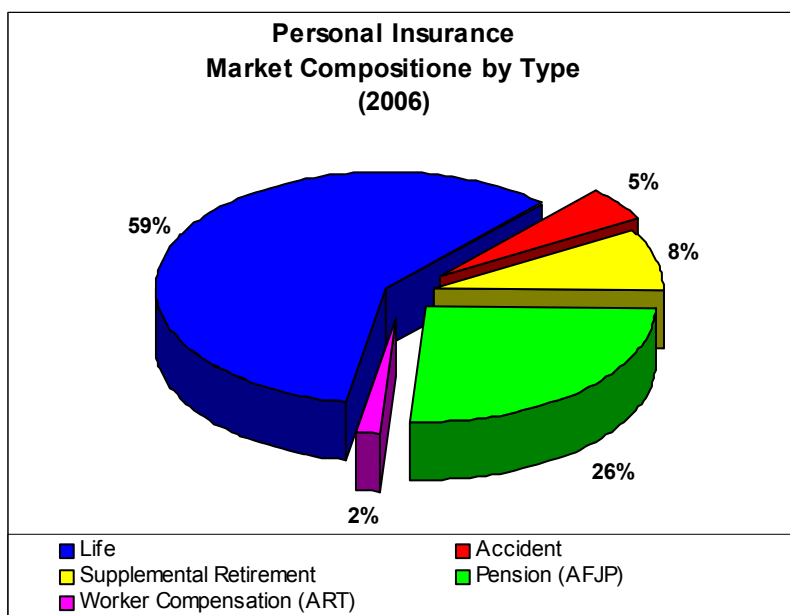
1	Caja Generales	35	Zurich International Life	69	Smg Retiro
2	Fed. Patronal	36	Assurant	70	Segurcoop
3	Sancor	37	Estrella Retiro	71	Sol Naciente
4	San Cristóbal	38	Liderar	72	Inst. Entre Ríos
5	Hsbc Buenos Aires	39	San Cristóbal Retiro	73	Río Uruguay
6	Meridional	40	Consolidar Retiro	74	Aseguradora Federal
7	Mapfre	41	Bernardino Rivadavia	75	Bbva Consolidar
8	Provincia Generales	42	Nación Retiro	76	Aseguradores De Caucciones
9	Segunda	43	Chubb	77	Coop. Mutual Patronal
10	Zurich	44	Comercio	78	Proyección Retiro
11	Orígenes Retiro	45	Qbe Art	79	Argos
12	Hsbc Vida	46	Unidos Retiro	80	Segurometal
13	Prevencion Art	47	Paraná	81	Profuturo Retiro
14	Agf Allianz	48	Smg	82	Horizonte
15	Internacional	49	Boston	83	Caja De Tucumán
16	Consolidar Art	50	Binaria Vida	84	Profuturo Vida
17	Hsbc Retiro	51	Instituto De Seguros	85	Interacción Art
18	Mercantil Andina	52	Binaria Retiro	86	Alba
19	Holando Sudamericana	53	Smg Vida	87	Mapfre Vida
20	Berkley	54	Río	88	Galicía Vida
21	Consolidar Vida	55	Berkley Art	89	Segunda Personas
22	Nación Vida	56	L'Union De Paris	90	Progreso + Astro
23	Asociart Art	57	Norte	91	Previsol Vida
24	Provincia Art	58	República	92	Prudencia
25	Cna Art	59	Caruso	93	Resp. Patronal Art
26	Caja Art	60	Equitativa Del Plata	94	Surco
27	Mapfre Art	61	Victoria	95	Previsol Retiro
28	Liberty	62	Nueva	96	Triunfo
29	Alico Generales	63	Créditos Y Garantías	97	Siembra Retiro
30	Liberty Art	64	Prudential	98	Fianzas Y Crédito
31	Royal & Sun Alliance	65	Orbis	99	Siembra Vida
32	Segunda Art	66	Generali Corporate	100	Escudo
33	Metropolitan Life Vida	67	Cardif	101	Juncal Vida
34	Ace	68	Perseverancia	102	Hamburgo

The following chart illustrates the market composition by type of coverage for General & Property Insurance:



Source: Superintendence of Insurance

The following chart illustrates the market composition by type of coverage for Personal Insurance:



Source: Superintendence of Insurance

## Trends

- The Insurance industry is expected to continue expanding at least by 20% yearly rate in the next two years.
- Increasing efforts by industry leaders to increase market share through better marketing and insurance costs reduction.
- In the long term, the number of market players will tend to decrease as the industry approaches a stage of maturity.
- Customer demand for accessible insurance premiums is expected to grow.
- Sector's strong financial profitability is expected to continue.
- Increasing development of traditional crop insurance.
- Worker compensation and work related risk insurance is expected to continue growing as unemployment decreases. Approximate unemployment rate is currently at 10.4%.
- Vehicle insurance expected to grow as automobile production and sales continues expanding.
- Demand for life insurance will also expand as the economy continues improving.

## Best Prospects

- Crop insurance for traditional gains.
- Worker compensation and work related risk insurance.
- Vehicle Insurance.
- Life Insurance.

## Market Entry

An intelligent market-entry strategy is necessary. Strategies must be tailored on a case-by-case-basis, depending on current market conditions, your company's objectives, and the type of services that you plan on bringing into Argentina. Understanding the business culture is key. Teaming up with a reputable partner, with a solid contact network within the industry could be instrumental to increase your likelihood of success. Local support and services are almost indispensable to a successful market entry strategy. Conducting due-diligence on your potential partners is always necessary. Keep the U.S. Commercial Service in mind as a useful resource to assist in the process.

## Resources & Key Contacts

### SUPERINTENDENCIA DE SEGUROS DE LA NACION

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Tel./Fax: 4338-4000  
Web: <http://www.ssn.gov.ar>

### ASOCIACION ARGENTINA DE COMPAÑIAS DE SEGUROS

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Fax: 4312-6300  
Web: <http://www.aacsra.org.ar>  
Email: [info@aacs.org.ar](mailto:info@aacs.org.ar) Sector:

### ASOCIACION ARGENTINA DE PRODUCTORES ASESORES DE SEGUROS (AAPAS)

Bolívar 332 4P.  
C1068 AAX Buenos Aires  
Tel./Fax: 4343-7780/8040  
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Email: [aapas@aapas.org.ar](mailto:aapas@aapas.org.ar) Sector:

### ASEGURADORES DE VIDA Y RETIRO DE LA REPÚBLICA ARGENTINA (AVIRA)

Carlos Pellegrini 125, 4th Floor, Suite "A"  
1009 Buenos Aires  
Tel: 54 - 11 - 4394 – 0204  
Web site: [www.avira.org.ar](http://www.avira.org.ar)

## For More Information

The U.S. Commercial Service in Buenos Aires, Argentina can be contacted via e-mail at:  
[Marcelo.Amden@mail.doc.gov](mailto:Marcelo.Amden@mail.doc.gov); Phone: 54-11-5777-4509; Fax: 54-11-5777-4203 or visit our website:  
[www.buyusa.gov/your\\_office](http://www.buyusa.gov/your_office).

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